

**Office of Thrift Supervision**

Department of the Treasury

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MEMORANDUM FOR: CHIEF EXECUTIVE OFFICERS**FROM:**Timothy T. Ward
Deputy Director**SUBJECT:***Realignment of Regions and Enhanced Large Bank Supervision*

OTS announced plans today to realign its regional structure in order to balance staff resources geographically, achieve greater operating efficiencies, and support regulatory consistency across regions.

Our mission is to effectively oversee a robust, innovative, safe and sound thrift industry. The steps we are announcing today are part of our ongoing efforts to keep the agency well-aligned to meet the evolving challenges of the future.

Under the plan, we are realigning our regional structure into four supervisory regions. Due to a change in the number and size of institutions supervised by the West Region, three of the existing regions will be realigned into two. The Central Region, headquartered in Chicago, will expand its oversight to include thrifts in Minnesota, Iowa, Nebraska, South Dakota and North Dakota. All of the former West Region and much of the Midwest Region will combine to form the new Western Region. The Western Region headquarters will be in Dallas.

We are also creating a new executive-level position in Washington, D.C., responsible for executing the large bank oversight program announced on February 26, 2009 for institutions with more than \$10 billion in assets. This new Assistant Deputy Director will report to me and will also oversee supervision operations and policy, compliance, consumer protection, risk management, corporate applications, holding companies, and international activities. We plan to fill the position in the next 45 days.

We will continue to maintain area offices in Seattle and Santa Ana, and will retain a substantial supervisory presence in San Francisco. Edwin L. Chow will continue as a Regional Deputy Director in California and will report to Western Regional Director C.K. Lee in Dallas. The Central Region will continue to be led by Regional Director Thomas A. Barnes. The Northeast and Southeast Regions will retain their current states and will be led by Northeast Regional Director Michael E. Finn and Acting Southeast Regional Director Arthur W. Goodhand.

The plans described above are consistent with OTS's history of fulfilling its mission in the most efficient manner possible. We believe the realignment and large bank oversight program will create a stronger, more effective regulating agency for our nation's savings associations and their holding companies. While no staff positions are being eliminated as a result of this realignment, OTS will be better positioned to absorb staff attrition and adjust expenses in the future.

OTS management and staff are committed to ensuring this realignment is not disruptive for your institution. Any changes to the caseload assignments for institutions in the Central and Western Regions will be communicated to you by the Regional staff.

If you have any questions about this or other matters, please do not hesitate to contact your OTS Regional office.